ExPost

Overview

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To what extent are issues related to the Mediterranean marine and coastal ecosystem taken into account in operations?

Evaluation of the operations of AFD

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Cover photo
Photo taken from a drone. The Nabeul wastewater treatment plant owned by Tunisia's National Sanitation Office (ONAS) treats wastewater in the region. This water is reused to water public gardens and in industries.

Summary

Editorial

Mathilde Bord-Laurans, Head of the Climate and Nature Division

Carbon sinks, sources of oxygen, heat pumps... Marine and coastal ecosystems play a crucial role in the global climate system. They also contribute to food security and are the bedrock of many income- and employment-generating economic activities (transport, tourism, energies, etc.). In this respect, the future of the Ocean and how to maintain its Good Ecological Status (GES) are major development issues.

However, awareness of the value of this bedrock and the growing pressures it is experiencing – overexploitation of resources, pollution, climate change, urbanization – is relatively recent in the development and international solidarity community.

As of 2019, building on the momentum for mobilization around the future Kunming-Montreal Biodiversity Global Biodiversity Framework, AFD raised its "pro-nature" ambitions and made biodiversity mainstreaming a priority, as it had done with the climate as of 2007. The objective is to ensure that natural capital is taken into account in all of its operations and by all of its teams.

Applied to the oceans, this commitment was set out in an initial strategic framework in 2020, representing a first move towards the blue environment for AFD. What was the objective? Recognize the role of the Ocean, in its own right, as a living space and the foundation of common development. It also aimed to ensure that the Group's activities respect the balance between healthy ecological status and support for economic activities. The operationalization of this action is still ongoing. Indeed, 7% of AFD's total activities are directly or indirectly linked to the Ocean.

The evaluation exercise presented in this report, which focuses on the southern Mediterranean basin, was conceived in 2020 in the context of this new strategic and operational positioning. We understood that building a new approach to the Ocean could only be achieved collectively, by questioning our past experiences, our partners, and our clients. The work has been conducted by the Evaluation Department with the Climate and Nature Division, the North Africa Regional Office, and the Tunis Office. It clearly demonstrates the interest in this approach to pragmatic learning, through a process of questioning and alterning between strategy, operations and capitalization.

The conclusions show that there is still room for progress... The consideration given to the protection of marine ecosystems, the proper use of their resources, and the monitoring of the state of natural environments is still too limited in the Group's operations. But it is increasing.

And for AFD, the objective today is to enable a renewed vision of the blue economy, clearly aligned with the Paris Agreement, and with the Kunming-Montreal Biodiversity Global Biodiversity Framework and the Nature Positive agenda. Indeed, our investments linked to the Ocean must no longer simply be neutral: they must also contribute to being "positive" for the Ocean, meaning they must contribute to their protection and restoration.

At a time when France is gearing up for the next United Nations Ocean Conference (UNOC), to be held in June 2025 in Nice, this evaluation exercise is particularly significant. A number of recommendations have been developed during internal workshops, as well as in Tunis with diverse actors. These recommendations will provide input into the Group's new 2024-2027 Blue Action Plan, with the aim to provide technical and financial services geared more towards the needs of ecosystems and our partners.

The initial challenge of making evaluation central to processes for collective improvement and biodiversity mainstreaming is thus now proving its relevance.

Executive summary

Context

With the publication of its first strategic framework dedicated to the Ocean in 2020 the Agence française de développement (AFD) aimed to set out its territorial and ecological transition strategy at the maritime level, aspiring to have 70% of its Ocean projects presenting biodiversity and climate co-benefits by 2025. AFD also aims to link Ocean preservation more explicitly and directly to its climate and biodiversity operations and strategies, with a view to clarify its contribution to the 2030 Agenda, and especially to Sustainable Development Goal (SDG) 14 (Life below water).

After an initial internal assessment of its Ocean activities carried out between 2008 and 2018, during the preparation of its dedicated strategic framework, AFD sought to deepen the analysis of the impact of its operations on marine environments. For this study, AFD chose to focus on the Mediterranean Sea, a highly threatened biodiversity hotspot. The Living Planet Index fell by 20% between 1993 and 2016 in the Mediterranean, with a 52% decline in marine species.

Objectives of the analysis and evaluation exercise (2022-2024)

In 2022, AFD commissioned Altai Consulting and Vertigo Lab to conduct an analysis and evaluation exercise on the "Ocean" operations of AFD Group and the French Facility for Global Environment (FFEM) in the Mediterranean. The overall aim of the exercise was to contribute to mainstreaming Ocean issues within AFD Group, through a participatory retrospective approach, with the aim to:

- Understand AFD Group's strategic positioning on Ocean issues in relation to other donors active in countries bordering the Mediterranean.
- Characterize AFD Group's operations in the Mediterranean in terms of their interrelations with the marine environment and their potential effects on this environment, and map operations on the basis of these issues by analyzing a portfolio of AFD and FFEM operations in four southern Mediterranean countries (Algeria, Egypt, Morocco, Tunisia).
- Evaluate the extent to which marine and coastal ecosystem protection issues are taken into account, both at the level of the portfolio of operations and at the level of five targeted projects in Tunisia - including two projects co-financed by the FFEM.

Methodology and assignment process

The analysis was carried out in two phases.

A first stage of cross-cutting analysis (October 2022 - June 2023) focused on a sample of 40 Ocean projects related to the Mediterranean Sea allocated over a 13-year period (2008-2021), from AFD's technical divisions and attached to the North Africa Regional Office, to which Expertise France (EF) and FFEM projects were added. This first stage of analysis characterized and mapped these operations through the prism of their various interactions with (and potential effects on) the Mediterranean marine and coastal environment. The objective was to develop a picture of the overall situation and examine the coherence of the projects' objectives, both between themselves and with the strategies of France and AFD in relation to marine environments. The cross-cutting analysis also characterized the extent to which marine biodiversity issues were taken into account in the course of the projects, in order to present recommendations for better integration of the vulnerability of these ecosystems into the AFD Group approach.

The second phase of the study involved the targeted evaluation of a cluster of five projects in Tunisia from the initial sample, with the aim to specifically analyze the level of consideration given to issues linked to marine and coastal ecosystems at the time of project appraisal, their consistency with existing strategies, and the results achieved with regard to these issues.

Results and recommendations

Internal coherence. AFD's intervention strategy for the Ocean is consistent with the French political dynamic, which aims to give visibility to the oceans and position France as a leader in marine biodiversity protection issues. However, except for the WAS sector, sectoral intervention strategies and projects concerning the maritime economy rarely take into account marine environment protection issues.

External coherence. AFD and FFEM have positioned themselves in line with national and regional policies, in particular through their multi-country operations, which align with regional policies relating to the preservation of marine and coastal ecosystems. There are numerous multi-donor initiatives on blue economy and marine biodiversity issues in the Mediterranean, but little coordination between donors in these fields.

Relevance. Many efforts have been made in recent years to take greater account of marine and coastal biodiversity issues in AFD operations, but the results of these actions are not yet particularly visible and must continue to be reinforced and systematized. Most of the elements of the biodiversity analysis are carried out *ex ante* and are not systematically monitored. As far as the projects analyzed are concerned, AFD's approach is still mainly risk-based, to avoid possible negative impacts on ecosystems. However, recent initiatives show that this approach is evolving towards a "positive" approach in terms of marine biodiversity protection.

Effectiveness and effects. The logical frameworks of the projects analyzed make limited provision for outcome and impact indicators. Consequently, it was not possible to use the data to measure their impact on marine and coastal ecosystems. However, the absence of results does not necessarily mean the absence of effects: data may not (yet) have been collected or may not be directly and systematically available. The analysis therefore focuses on the expected effects on these ecosystems.

Strategic and operational recommendations were co-constructed during the collective intelligence workshop organized with AFD teams. These recommendations were then enriched with analyses from targeted evaluations. The analyses were organized around five main themes:

- Pursue AFD's strategic positioning objectives for the Ocean
- Strengthen strategic partnerships to take better account of cumulative effects
- Develop AFD's financing capacities for the Ocean
- Strengthen and decompartmentalizing operational frameworks
- Improve monitoring and evaluation systems to take better account of and measure the effects and impacts of Ocean projects.

Résumé exécutif

Contexte

Avec la production de sa première note de cadrage stratégique dédiée à l'océan en 2020, l'Agence française de développement (AFD) souhaite décliner sa stratégie de transition territoriale et écologique au niveau maritime en ayant pour objectif que 70 % de ses projets « océan » aient des co-bénéfices biodiversité et climat en 2025. L'AFD ambitionne également d'associer de façon plus explicite et directe la préservation des océans à ses opérations et stratégies climat et biodiversité dans l'objectif de clarifier son apport à l'agenda 2030 et notamment à l'ODD (Objectif de développement durable) 14 (vie aquatique).

Après un premier bilan interne de ses activités « Océan » mené entre 2008 et 2018, lors de l'élaboration de sa note de cadrage stratégique dédiée, l'AFD souhaitait approfondir son analyse quant à l'impact de ses interventions sur les milieux marins. Pour cette étude, l'AFD a choisi de se concentrer sur la mer Méditerranée qui constitue un foyer de biodiversité fortement menacé. L'indice Planète vivante y a en effet diminué de 20 % entre 1993 et 2016 avec une baisse de 52 % concernant les espèces marines.

Objectifs de l'exercice d'analyse et d'évaluation (2022-2024)

En 2022, l'AFD a mandaté Altai Consulting et Vertigo Lab pour conduire un exercice d'analyse et d'évaluation sur les interventions « Océan » du Groupe AFD et du Fonds Français pour l'environnement mondial (FFEM) en Méditerranée. La finalité générale de l'exercice était de participer au *mainstreaming* des enjeux Océan au sein du groupe AFD, à travers une démarche participative impliquant de nombreux agents du groupe, en portant un regard rétrospectif permettant de :

- Comprendre le positionnement stratégique de l'AFD sur les enjeux Océan par rapport aux autres bailleurs actifs dans les pays riverains de la Méditerranée.
- Caractériser les interventions de l'AFD en Méditerranée au regard de leurs interrelations avec le milieu marin et leurs effets potentiels sur ce milieu, et chercher à cartographier les interventions en fonction de ces enjeux *via* l'analyse d'un portefeuille d'interventions de l'AFD et du FFEM dans quatre pays du rivage sud de la Méditerranée (Maroc, Algérie, Tunisie, Égypte).
- Évaluer le degré de prise en compte des enjeux liés à la protection des écosystèmes marins et côtiers, au niveau du portefeuille d'interventions et à l'échelle de cinq projets ciblés en Tunisie - dont deux projets cofinancés par le FFEM.

Méthodologie et déroulé de la mission

L'analyse s'est déclinée en deux phases.

Une première étape d'analyse transversale (octobre 2022 – juin 2023) a porté sur un échantillon de 40 projets « Océan » en lien avec la mer Méditerranée octroyés par l'AFD sur une période de 13 ans (2008-2021), dans les pays de la Direction Régionale Afrique du Nord, auxquels ont été associés des projets d'Expertise France (EF) et du FFEM. Cette première étape d'analyse a permis de caractériser et cartographier ces interventions à travers le prisme de leurs différentes interactions avec (et potentiels effets sur) le milieu marin et côtier méditerranéen, afin de dessiner une situation d'ensemble et d'examiner notamment la cohérence des objectifs des projets, à la fois entre eux et avec les stratégies de la France et de l'AFD en lien avec les milieux marins. L'analyse transversale a également caractérisé la prise en compte des enjeux de biodiversité marine dans le déroulé des projets, pour présenter des recommandations en vue d'une meilleure intégration de la vulnérabilité de ces écosystèmes dans la démarche de l'AFD.

La seconde phase de l'étude a concerné l'évaluation ciblée d'une grappe de cinq projets en Tunisie issus de l'échantillon initial, visant à analyser spécifiquement le niveau de prise en compte des enjeux liés aux écosystèmes marins et côtiers au moment de l'instruction des projets, leur cohérence avec les stratégies existantes, ainsi que les résultats atteints au regard de ces enjeux.

Résultats et recommandations

Cohérence interne. La stratégie d'intervention de l'AFD en faveur des océans est cohérente avec la dynamique politique française qui souhaite donner de la visibilité à l'océan et positionner la France en leader sur les enjeux de protection de la biodiversité marine. Toutefois, les stratégies d'intervention sectorielles et les projets concernant l'économie maritime, mis à part le secteur de l'eau et l'assainissement, intègrent peu les enjeux de protection des milieux marins.

Cohérence externe. L'AFD et le FFEM ont un positionnement aligné avec les politiques nationales et régionales, en particulier *via* leurs interventions multi-pays qui s'intègrent parfaitement dans les politiques régionales en lien avec la préservation des écosystèmes marins et côtiers. Il existe de nombreuses initiatives multi-bailleurs sur les enjeux économie bleue ou biodiversité marine en Méditerranée, mais peu de coordination entre bailleurs dans ces domaines.

Pertinence. De nombreux efforts ont été menés ces dernières années pour améliorer la prise en compte des enjeux liés à la biodiversité marine et côtière dans les interventions de l'AFD, mais les résultats de ces actions ne sont pas encore très visibles et ces actions doivent continuer à être renforcées et systématisées. Dans le cadre des dispositifs visant à appuyer l'instruction et la mise en œuvre des projets, la majorité des éléments de l'analyse biodiversité est réalisée *ex-ante* et ne fait pas systématiquement l'objet de suivi spécifique. Concernant les projets étudiés, l'approche AFD restait principalement une approche par les risques afin d'éviter autant que possible les impacts possibles sur les écosystèmes, mais des initiatives récentes montrent que cette démarche évolue vers une approche « positive » de son intervention en matière de protection de la biodiversité marine.

Efficacité et effets. Les cadres logiques des projets étudiés prévoient peu d'indicateurs de résultats et d'impacts et les données ne permettent donc pas de mesurer les impacts des projets sur les écosystèmes marins et côtiers. Cependant l'absence de présentation des résultats ne signifie pas nécessairement l'absence d'effets ; les données pouvant ne pas (encore) avoir été collectées ou n'étant pas directement et systématiquement accessibles. L'analyse s'est donc concentrée sur les effets attendus sur ces écosystèmes.

Des recommandations stratégiques et opérationnelles ont été co-construites lors de l'atelier d'intelligence collective organisé avec les équipes de l'AFD. Ces recommandations ont été ensuite enrichies des analyses issues des évaluations ciblées. Elles s'organisent autour de cinq thèmes principaux :

- Poursuivre les ambitions de positionnement stratégique de l'AFD sur l'Océan
- Renforcer les partenariats stratégiques pour mieux prendre en compte les effets cumulatifs
- Développer les capacités de financement de l'AFD sur la thématique
- Renforcer et décloisonner le cadre opérationnel
- Améliorer les dispositifs de suivi-évaluation pour mieux prendre en compte et mesurer les effets et les impacts des projets Océan.

1. Introduction / Context

1.1 Overall context – AFD and the Ocean

The Ocean and its resources are increasingly recognized as crucial to address the many challenges the planet will face with in the coming decades: food, climate, employment, energy, raw materials and economic growth for nine to ten billion people (Organisation for Economic Co-operation and Development, OECD, 2017). Marine natural capital and ecosystem services are thus considered an integral part of the maritime economy. Preliminary calculations in 2010 conservatively estimated its contribution at $1.5 trillion, or about 2.5% of world gross value added (OECD, 2017). Based on a "business as usual" scenario, its value could more than double by 2030.

With the world's second largest maritime domain, France has committed to mainstream climate and biodiversity issues into ocean management. AFD's approaches and range of financing, combining economic development, human development and the preservation of ecosystems, thus fall within this international, European and national framework for the preservation of the GES of the Ocean and its multiples uses.

Ocean-related issues are considered cross-cutting and many of AFD's roadmaps, strategies and intervention frameworks integrate issues related to the marine environment. With the publication of its first Ocean Strategic Framework in 2020, AFD aimed to set out its strategy for territorial and ecological transition at the maritime level, with 70% of its "Ocean" projects simultaneously benefiting both biodiversity and climate by 2025.

AFD also aims to link ocean preservation more explicitly to its climate and biodiversity operations and strategies, with a view to clarify its contribution to the 2030 Agenda, and especially to SDG 14 (Life below water). "Ocean" projects are currently those which integrate activities directly dependent on marine and coastal ecosystems or their status, and those which may affect the status of environments up to 30 km inland.

The first assessment of AFD's "Ocean" activities between 2008 and 2018, conducted during the preparation of its dedicated strategic framework, showed that half of these projects appear to have a positive impact on the ecological status of the Ocean. The other half may be neutral or have negative consequences for ecosystems.

1.2 Focus on the Mediterranean ecosystem

The Mediterranean Sea is a biodiversity hotspot under severe threat. The Living Planet Index (LPI) fell by 20% between 1993 and 2016, with a 52% decline in marine species. This situation is due to growing pressure on the marine environment (overfishing, climate change, coastal land-take), leading to the degradation or loss of habitats. Numerous mechanisms govern the protection of marine and coastal ecosystems in the Mediterranean. However, only 8% of the Mediterranean Sea has a protection status and most of this covers the waters of European Union (EU) Member States.

This evaluation focuses on the Mediterranean region, as it is highly vulnerable and threatened, while also subject to specific pressures. It particularly focuses on the southern part, which is covered by AFD's North Africa Regional Office, for two main reasons. Firstly, AFD's action is diverse and dates back over 30 years. It is therefore representative of all the sectors that depend on or have an effect on marine environments. Secondly, the choice addresses the need to have a clearly defined and easily appropriated subject of analysis. The analysis is thus based on projects from AFD's technical divisions and attached to the North Africa Regional Office. Projects from Expertise France (EF), now part of AFD Group, and the French Facility for Global Environment (FFEM) have also been included.

2. Objectives of the evaluation exercise and methodology

2.1 Objective: Characterize AFD's operations in the Mediterranean and, subsequently, in Tunisia

The overall objective of the evaluation exercise was to contribute to mainstreaming Ocean issues within AFD Group, through a participatory retrospective approach, with the aim to:

- Understand AFD's strategic positioning on Ocean issues in relation to other donors active in countries bordering the Mediterranean
- Characterize AFD's operations in the Mediterranean in terms of their interrelations with the marine environment and their potential effects on this environment, and map operations on the basis of these issues by analyzing a portfolio of AFD and FFEM operations in four southern Mediterranean countries (Algeria, Egypt, Morocco, Tunisia)
- Evaluate the extent to which marine and coastal ecosystem protection issues are taken into account, both at the level of the portfolio of operations and at the level of five targeted projects in Tunisia

In addition to specific recommendations concerning the Mediterranean Sea, the exercise also aimed to provide AFD with general recommendations that could prove relevant for other marine and coastal ecosystems.

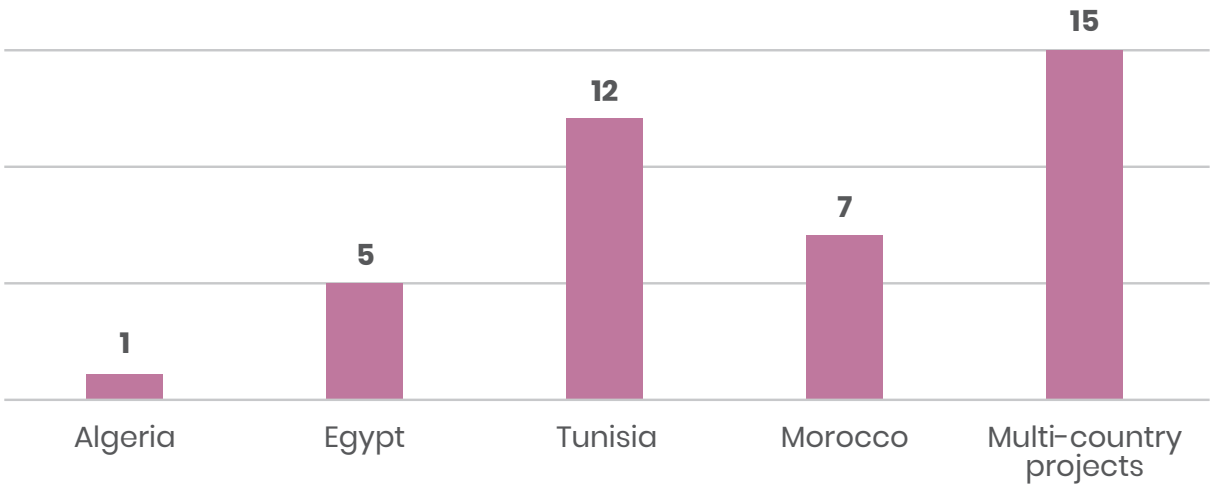
The exercise was conducted in two separate phases: a cross-cutting phase (October 2022 – June 2023) **concerning a portfolio of 40 "Ocean" projects (including 10 FFEM projects), and a targeted evaluation phase concerning a cluster of five targeted projects in Tunisia** (July 2023 - February 2024).

The aspects specific to Tunisia (which were part of the second phase of the exercise) are highlighted in boxes below.

Focus on Tunisia

Tunisian ecosystems are faced with a range of threats on a scale that is continuously increasing as a result of phenomena, including climate change, pollution (which particularly affects marine and coastal ecosystems), and invasive alien species, which affect marine and coastal ecosystems as well as agrosystems. The main pressures on, and threats to, for bio-diversity in Tunisia include: the degradation, fragmentation and loss of habitats under the combined effects of forest fires and land-take, both in urban areas and rural/agricultural areas, an inappropriate use and management of natural resources in agricultural production systems, agro-pastoral systems and fishing, and unsustainable or barely sustainable practices.

Figure 1 – Geographical distribution of the projects analyzed (cross-cutting analysis phase)



2.2 Methodology: A two-phased approach

2.2.1 – Cross-cutting analysis phase (November 2022 - June 2023)

The first cross-cutting analysis phase focused on a sample of 40 "Ocean" projects related to the Mediterranean Sea allocated over a 13-year period (2008-2021) from AFD's various technical divisions and attached to the North Africa Regional Office, to which EF and FFEM projects were added. The geographical distribution of the 40 projects analyzed is shown in Figure 1.

The documents available for each of the 40 projects in the portfolio were reviewed. This review provided information for three sets of indicators in order to characterize the projects with respect to their potential effects on differing environments:

- **Overall characteristics of the projects:** general information (year of allocation, etc.) ; financial information (financing tool, budget, co-financing, etc.) ; and governance (under the responsibility of a Group entity, AFD technical division, third party, etc.)
- **Intentions of the projects in terms of issues related to marine and coastal ecosystems:** approach (study, infrastructure, technical assistance, etc.) ; sector (water, sanitation, aquaculture, fisheries, biodiversity, ports, etc.), direct or contributory project,[1] category of Ocean project (Type 1, 2 or 3),[2] etc.
- **Expected effects on marine and coastal ecosystems, and developments in how these effects are taken into account:** internal ratings - Sustainable Development Analysis and Opinion (SDAO) and Environmental and Social Risk Management (ESRM) ; expected effects of projects on ecosystems (rating by Ecological Objective – EO – see box below) ; monitoring of project impacts during implementation (existence of contractual provisions, existence of impact indicators, assessment of impacts on marine and coastal ecosystems in progress reports, existence of an ex post evaluation and consideration of the impacts in the analysis, etc.).

[1] In the Ocean Strategic Framework (AFD, 2020) ; "Projects are classified as direct projects and contributory projects. The first are defined as being directly and entirely designed in connection with the Ocean and/or coastal areas and their uses. Contributory projects do not have an objective directly linked to the Ocean and/or coastal areas, but do have a coastal or marine component, or a variable impact on these environments. For example, port projects are considered as direct, as their activity depends on the Ocean, while coastal wastewater treatment plants, which reduce pollution, are contributory projects."

[2] Type 1: Project to support public policies/governance;
Type 2: Project to promote maritime economic sectors;
Type 3: Project to protect marine and coastal ecosystems and reduce pressures and pollution. As most of the projects were appraised prior to the preparation of this strategy, AFD has not classified them according to their contribution to a particular category. Ratings have thus been attributed in the context of the analysis, providing information on the consistency with the current objectives.

Box 1 – Analytical Framework MSFD / IMAP

The Marine Strategy Framework Directive (MSFD) adapted to the Mediterranean, which is part of the European and Mediterranean regulatory framework and the outcome of scientific consensus, **has been selected as the analytical framework for the effects and potential impacts measured for the 40 projects in the portfolio (phase 1), followed by the five projects subject to targeted evaluations in Tunisia (phase 2).**

The approach developed under the MSFD, the environmental pillar of the European Integrated Maritime Policy, is based on 11 Descriptors of pressures and status describing the GES of marine waters. This ecosystem-based and cross-cutting approach is based on the Driver-Pressure-State-Impact-Response (DPSIR) framework, linking economic activities, pressures, ecosystems status, impacts on the socioeconomic system, and the response in terms of management.

This approach has been translated into the Mediterranean context through the adoption of the Integrated Monitoring and Assessment Program (IMAP) at the COP19 of the Convention in Barcelona in 2016. The parties have thus pledged to implement an ecosystem-based vision through **11 EOs** (translation of the 11 Descriptors of the MSFD) and the definition of GES, its targets, and its indicators. The application of the IMAP is dependent on the establishment of principles of Shared Environmental Information Systems (SEIS) at the national and regional levels and the development of an integrated information and data system within the Mediterranean Action Plan of the United Nations Environment Programme (UNEP/MAP). This IMAP program thus aligns in with the deployment and monitoring of SDG 14.

The IMAP EOs are as follows:

EO 1: Biodiversity
EO 2: Non-indigenous species
EO 3: Harvest of commercially exploited fish and shellfish
EO 4: Marine food webs
EO 5: Eutrophication
EO 6: Sea-floor integrity
EO 7: Hydrography
EO 8: Coastal ecosystems and landscapes
EO 9: Pollution
EO 10: Marine litter
EO 11: Energy including underwater noise
Added: EO 12: Atmospheric gases

A list of indicators characterizing each EO is also provided in the context of the IMAP.

As part of this work, each project has been analyzed through a grid estimating its potential impact on the different EOs. It is important to keep in mind that this "rating" is nevertheless dependent on the data available for each project, which is limited (when it exists), with respect to the effects/impacts on marine environments. Consequently, during phase 1 (cross-cutting analysis of the 40 projects), only the expected effects on marine ecosystems have been classified as positive, neutral, or negative. In phase 2 of the targeted evaluation, it was possible to conduct a more detailed analysis in some cases, and present conclusions on whether or not effects on the EOs had been observed. .

The analysis of the documents which provided information for this analysis grid is complemented by:

- **40 interviews** with representatives from AFD Group and FFEM, as well as representatives of other donors/institutions to benchmark their objectives and means of intervention for the Ocean: Organisation for Economic Co-operation and Developement (OECD), UNEP FI (United Nations Environment Programme Financial Initiative), Asian Development Bank (ADB), World Bank, KfW (*Kreditanstalt für Wiederaufbau*), IRIS (French Institute for International and Strategic Affairs)
- **Extensive document review** on the various strategies of AFD and other donors, with the aim of identifying the alignment of AFD's operations with these strategies
- **Internal brainstorming workshop** to present the results of the cross-cutting analysis, create a space for dialogue, and generate discussions in order to jointly develop recommendations.

This first phase of the analysis characterized and mapped the operations of AFD, EF and FFEM in light of their different interactions with (and potential effects on) the Mediterranean marine and coastal environment. The objective was to develop a picture of the overall situation and examine the coherence of the projects' objectives, both between themselves and with the strategies of France and AFD, in relation to marine environments. The extent to which these issues were taken into account in the course of the projects was also analyzed, allowing recommendations to be made on how to better integrate the vulnerability of these ecosystems into the AFD approach. During this phase, a comparative analysis was also conducted on the positioning of the main donors in the region. Finally, a pilot mapping tool was developed and served to situate the portfolio of projects and their links with the different EOs in the Mediterranean area.

2.2.2 – Targeted evaluation phase

Following the cross-cutting analysis, the Tunisian portfolio was the subject of focus. The projects selected included sectors representative of the last 15 years of AFD and FFEM operations in Tunisia:

- WAS: two projects - "19 WWTP" and "DEPOLMED" (AFD), allocated in 2008 and 2015, respectively
- Fisheries: "MEDFISHTUN" project (AFD), allocated in 2018
- Marine Protected Areas (MPA): two projects - "AMCP-Fisheries" (FFEM) and "COGITO" (FFEM), allocated in 2013 and 2016, respectively

A multi-country project (COGITO) was added to the sample to allow a comparison of the approaches and initiate thinking on their complementarity, and also to analyze the level of coordination between the country and multi-country project management teams. **The cluster also includes ongoing projects to measure developments in how the potential effects of projects on marine ecosystems are taken into account.** Indeed, it would otherwise not have been possible to include certain recent developments.

The questions for the analysis of the projects were aligned with the evaluation criteria of the OECD/DAC, while systematically targeting the specific characteristics of the project in terms of the consideration of marine biodiversity (Table 1).

Table 1 – Evaluation criteria and analysis questions (phases 1 and 2)

General questions for the cross-cutting analysis (phase 1)	Perspectives adopted for the targeted evaluation (phase 2)
INTERNAL COHERENCE	
Is the project consistent with the policies and strategies of France and AFD in relation to marine environments (mainly biodiversity, climate)?	• Consistency with the policies and strategies of France and AFD **in Tunisia** • Good practice and opportunities for improving **coordination between country and multi-country projects in the Tunisian portfolio**
EXTERNAL COHERENCE	
Are the projects consistent with the other donors' national and regional policies and their operations?	**Donors:** • Coordination between donors in Tunisia and effects on the integration and monitoring of marine issues • Specific characteristics and impacts of the co-financed projects • **AFD's position** on the ecosystem of donors involved in Ocean issues in Tunisia
	Tunisian counterparts: • Consistency with **Tunisian policies** on marine environments
RELEVANCE	
Does AFD take into account the pressures and priority issues facing marine and coastal ecosystems in the design and management of projects? Have its operations addressed them?	• **Consideration of pressures** and priority issues for marine and coastal ecosystems in the choice of project areas • Contribution to **reducing these pressures**
Do the various activities and mechanisms implemented by AFD and its counterparts identify and address the issues related to Mediterranean marine ecosystems?	• **Measurement of potential positive effects** identified by the SDAO rating • **Integration of the environmental and social (E&S) requirements during the project implementation and evaluation** and developments in the process
Is there a monitoring/evaluation system to report on the integration of these issues?	• Analysis of the **logical frameworks and their indicators** concerning the effects of projects on marine and coastal ecosystems
IMPACT AND SUSTAINABILITY	
Have the various activities implemented by AFD provided an effective response to issues related to Mediterranean marine ecosystems?	• **Negative or positive effects** of the projects with regard to the expected EOs and the unexpected and unforeseen effects • **Appropriation of issues** related to the Mediterranean ecosystem by the various stakeholders • **Leverage effects** of the projects for: - A better integration of these issues in public policies - Raising the country's ambitions in this respect - Improving the country's standards for the integration of environmental risks
Does the impact on the environment of AFD's operation extend beyond the time span of the project?	
Do projects benefiting from both grants and loans take better account of issues related to marine ecosystems? To what extent do activities financed with grants address issues related to the marine ecosystem? What are the good practices?	• Influence of the project design and **synergies between grants and loans** for a more effective integration of issues related to marine ecosystems • Role of the activities financed with **grants** in addressing issues related to the marine ecosystem

To answer these questions, a mission was conducted in Tunisia in October 2023 and 30 interviews were carried out, as well as an extensive document review. Three thematic reports (WAS, Fisheries, and Marine Protected Areas - MPAs) were produced compiling the results achieved by the projects related to these three sectors. A cross-analysis of the conclusions of these reports was also produced.

To develop operational prospects for the AFD office in Tunis, **two in-person workshops were organized** in Tunis with AFD officers, then with the office's Tunisian and international partners.

The second phase involved "targeted" evaluations of five projects from the initial sample. These evaluations complemented, further developed, and illustrated the conclusions and tendencies of the cross-cutting analysis, and tested the relevance of the recommendations identified during the first phase.

2.2.3 – Limitations of the exercise (phases 1 and 2)

Several limitations were encountered. It was possible to remove some of them, at least partly. They include:

- No reference to feasibility studies in the project documents and limited access to these studies
- Limited data available on the pre-identification phase and the context of the operations
- No *ex post* evaluations for the majority of the projects and a mainly *ex ante* analysis
- Limited data on the E&S monitoring of the projects during their implementation (no monitoring indicators in the logical frameworks, etc.)
- Lack of availability of certain key staff members needed for the evaluation exercise on the projects appraised / implemented / completed several years ago

3. Results of the analysis

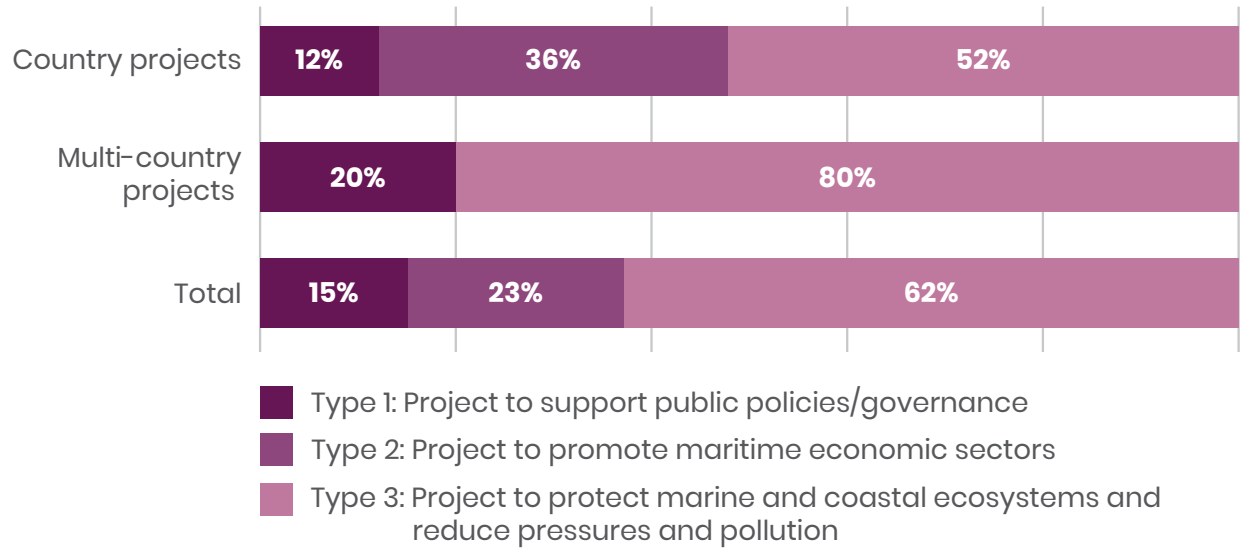
The results are presented according to the evaluation criteria and combine the results obtained in phases 1 and 2 of this work.

3.1 An approach consistent with French policy dynamics and aligned with the Ocean strategy frameworks of AFD and FFEM

AFD's Ocean Intervention Strategy aligns in with French policy dynamics, which aim to give visibility to the Ocean and position France as a leader in issues related to the protection of marine biodiversity. By adopting a strategy based on the Ocean as an ecosystem, AFD is aligned with French policies. Its ambitions are also aligned with objectives for convergence between climate and biodiversity, although these ambitions are currently not particularly clear or prescriptive for the Group.

The projects are consistent with the various strategic areas of focus of AFD's Ocean Framework. While most of projects were developed prior to the validation of AFD's Ocean Strategic Framework (2020), all projects in the portfolio align with the areas and types defined in the Ocean strategy. However, the projects objectives are different depending on their scope and volume: muti-country operations, which have smaller financial envelopes, are more centered on the protection of marine and coastal ecosystems and the reduction of pressures and pollution (Type 3), while national projects focus more on the promotion of maritime economic sectors (Type 2) with higher funding. Furthermore, projects to support public policies/governance (Type 1) have a national focus (Figure 2).

Figure 2 – Breakdown of projects in the portfolio by type of operation (AFD's Ocean Framework)



The sectoral intervention strategies and the projects to promote maritime economic sectors, with the exception of the water and sanitation (WAS) sector, do not significantly include issues related to the protection of marine environments. Indeed, these projects comprise few expected positive effects and could even have negative effects on marine ecosystems.

Focus on Tunisia

The five projects evaluated are consistent with the objectives set when they were each appraised through the strategic frameworks of AFD and FFEM, and they remain aligned with the current intervention frameworks.

While AFD and FFEM have established long-term and trusted relations with the Tunisian partners on issues related to the protection of marine biodiversity, **their operations remain compartmentalized with insufficient synergies between them. Furthermore, FFEM has a holistic view of biodiversity protection in the Mediterranean, including in Tunisia, which is not the case for AFD.**

Yet through its various levels of organization and operating methods, AFD Group could have the operational capacity required to take better account of issues related to the preservation of marine ecosystems in its projects in the Mediterranean: Proparco operates in Tunisia to support MSMEs (micro, small and medium-sized enterprises); Tunisia is among the main countries of operation of Expertise France; FFEM is the main operator linked to AFD Group involved in MPA issues in Tunisia.

3.2 A position aligned with national and regional policies, but within a donor ecosystem where there is still limited coordination on the theme of marine biodiversity in the Mediterranean

Consistency with regional and national policies

The projects analyzed, in particular the multi-country projects, align in with regional policies related to the preservation of marine and coastal ecosystems. However, the multi-country operations financed by AFD Group and FFEM in connection with regional strategies could benefit from greater coordination efforts to optimize their effects. **This is partly restricted by AFD's limited capacity to finance operations with grants, although the partnership framework between FFEM and AFD does provide for cooperation in the case of co-financing for common projects.**

In relation to the national policies of the countries studied, AFD is very active in WAS issues, which have a significant impact on marine and coastal ecosystems.

AFD remains subject to the requests of its counterparts and its financing capacity (loans, grants, concessionality level, etc.). The vast majority of operations to preserve and restore marine ecosystems are currently financed with grants, at both the multi-country and national level, as counterparts deprioritise borrowing for this type of operation.

Grants at the national level to preserve/restore marine ecosystems remain limited.

Focus on Tunisia

The five projects evaluated align in with regional and national policies to protect the environment and marine biodiversity, although the protection of ecosystems is not their main objective and their implementation needs to be improved.

Consistency with other donors

AFD was one of the first organizations to initiate an overall reflection on Ocean issues and develop a dedicated operational doctrine. Among the donors considered in the comparative analysis, the positioning on marine issues is relatively recent (less than five years), or even very recent (strategies produced between 2021 and 2022 for many). This means that there is currently limited availability of feedback and evaluations on the implementation of these strategies.

The different donors present the issue using various terminologies associated with the Ocean: "sustainable blue economy" (SBE), "sustainable Ocean economy", "SDG 14", "Marine Biodiversity", "Ocean". SBE appears to be the most commonly used, in particular in the strategies developed more recently. The OECD and the UNEP FI are major actors in structuring SBE approaches, each with their own specificities, respectively targeting the public sector and (more so) the private sector. The European Bank for Reconstruction and Development (EBRD) provides strong support for issues related to the SBE in the Mediterranean region, in particular by managing the multi-donor fund, the Blue Mediterranean Partnership (BMP[3]). The World Bank is also actively involved in supporting these policies in the region.

There is very limited coordination between donors on issues related to the blue economy and marine biodiversity in the Mediterranean. Yet, in the portfolio studied, almost 50% of the projects that support infrastructure at the national level have been co-financed with other donors. However, this collaboration, when it exists, is mainly due to governments, which coordinate the distribution of their sovereign loans. The recent BMP could constitute an interesting vehicle for improving this cooperation and channelling financing for the blue economy in the region.

[3] The BMP aims to tackle the threats facing the Mediterranean Sea by coordinating the financing of blue economy projects in the Mediterranean and the Red Sea, initially focusing on Egypt, Jordan and Morocco. Through a new multi-donor fund managed by the EBRD, the BMP aims to obtain additional financing from sovereign donors for the preparation of projects and blended finance.

Focus on Tunisia

The donor landscape and the position of AFD and FFEM vary considerably depending on the sectors. The financing of MAPs in Tunisia attracts few of the donors operating in the country, especially because they have limited capacity for grant financing. However, Tunisia benefits from strong regional coordination and financing dynamics, and FFEM is actively involved through its long-term support to stakeholders and mechanisms for marine biodiversity conservation in the Mediterranean (MedPan, PIM, PPI OSCAN, MCB, MedFund). There is limited coordination among donors in the fisheries and aquaculture sector in Tunisia, despite their small number. The sanitation sector, which receives substantial support from international financial institutions (IFIs), benefits from relatively strong donor coordination.

The cross-cutting theme of the blue economy is supported through various operations in Tunisia. For example, the World Bank, through its Blue Economy Roadmap - which is currently being finalized - targets certain sectors (fisheries, plastic pollution). This roadmap may foster cooperation between Tunisian stakeholders and between donors operating in the sector.

3.3 Strengthen and systematize the mainstreaming of marine and coastal biodiversity issues

In recent years, there have been many efforts to facilitate the integration of marine issues (Ocean strategy, Ocean marker in AFD's information system, Ocean task force, etc.) **into AFD's operations. However the results of this action are not yet visible.** While some teams working directly on marine biodiversity issues are beginning to fully take ownership of the issue, it is not the case for all of the teams concerned. In addition, the multiplicity and fragmentation of "biodiversity" tools does not facilitate their utilization and appropriation.

Marine biodiversity is generally integrated into all AFD tools, as a subcomponent of biodiversity. Efforts have been made to clarify the specific aspects of marine biodiversity, in particular in the context of accountability (see box 2).

Box 2 – Nature+: Towards "simple classification" grids integrating the specific issues of marine biodiversity

Following the general post-2020 dynamics, AFD has raised its "pro-nature" ambitions and developed its "nature positive" approach, which aims to ground biodiversity mainstreaming issues within all of its sectors of operation. The new biodiversity co-benefit accounting method has been applied since January 2022 and is part of this approach. In addition to its objective of further refining biodiversity co-benefit accounting for its "contributory" projects, its selection is now based on "the existence of an explicit intention towards biodiversity and the objective of achieving a net gain". An action is intentional if its objectives contribute to the objectives of the Convention on Biological Diversity (CBD). The biodiversity marker of the OECD's Development Assistance Committee (DAC) is used to graduate the scale of the contribution, and the percentages recorded correspond to drivers for action to meet the objectives of the CBD.

	Driver	%
1	**Protection** of ecosystems and/or natural land, aquatic and marine species	100
2	**Restoration** of natural land, aquatic and marine ecosystems	80
3	**AIntegrated spatial planning** for rural and urban areas	60
4	**Integrated public policies** and mobilization of financial resources for biodiversity	50
5	**Sustainable management** of natural resources (quantity and quality) and value chains	40
6	**Elimination of anthropogenic pollution,** both point-source and chronic	20

To refine the results of its annual accounting, AFD has also developed specific analysis grids for sectors considered contributory. "Water and Sanitation" and "Fisheries" grids have been developed in relation to marine issues. **These grids, called "simple classifications"**, are nevertheless fairly precise and built pragmatically (e.g. they include examples of projects), and serve to guide the user beyond the theoretical framework. While they would benefit from better presentation, more detailed examples of projects, and better dissemination to facilitate their use, they do clearly categorize the projects, allowing the biodiversity co-benefits to be defined.

The monitoring and accounting for projects related to marine or coastal biodiversity issues have also been facilitated by the "Ocean" marker, which has been established in the same way as the DAC Biodiversity marker. The interviews suggest that **the next stage for AFD to further improve its accounting would be to calculate the contributions on an anticipated basis** (related to the budgets for the "biodiversity" components of each project). This framework will also need to be revised to realign the "drivers" with the new Kunming-Montreal Global Biodiversity Framework.

Focus on Tunisia

The projects analyzed generally have **clear objectives for the protection of marine and coastal ecosystems,** with the exception of the oldest project in the sample (19 WWTP).

The choice of the project intervention areas has not systematically matched criteria directly related to pressures on marine ecosystems. For example, 19 WWTP took other factors into account, such as the state of the infrastructure in question. **MPA projects, for their part, have made the pressures and issues facing marine ecosystems their priority in the choice of the sites, based on processes for preventive protection.**

Furthermore, the way in which the activities implemented have handled the pressures and issues facing marine and coastal ecosystems varies across the projects analyzed. The COGITO and AMCP-Fisheries projects, through their support for Marine and Coastal Protected Areas, explicitly aimed to reduce the various pressures on the project sites. However, while the preservation of marine and coastal ecosystems was among the indirect intentions (through the sustainable management of fisheries resources) of the MEDFISHTUN project, it is not among the priorities of several of its contracting authorities. The main activities of 19 WWTP and DEPOLMED involve the construction, extension or rehabilitation of wastewater treatment plants (WWTP). DEPOLMED also includes a series of complementary activities through its "capacity building" component which specifically aims to reduce pressures.

3.4 Numerous mechanisms to support the appraisal and implementation of projects, but frameworks insufficient to measure their effects on marine environments

3.4.1 – Sustainable Development Analysis and Opinion (SDAO)

The SDAO mechanism was deployed in 2014 in response to the request of AFD's supervisory ministries (in particular the Ministry for Europe and Foreign Affairs) to inform the decision-making process *ex ante* (opinion and analysis) of the various bodies in light of the Sustainable Development (SD) dimensions, *via* a rating based on six criteria. The mechanism, which was revised in 2017 and 2021, is part of AFD's project cycle. A methodological guide currently being prepared will enable the introduction of the SDAO at Proparco and EF.

It is designed to be used by the project team in order to identify how the project aligns in with a sustainable development process, and is firstly considered as a tool for awareness-raising and dialogue with the teams. The provisional and, thereafter, final independent opinion directly provided by the SDA Unit either confirms or invalidates the interpretation of the project team and informs the committee's decision during the appraisal process. The SDA Unit is not part of the project team.

The D4 criterion of the rating concerns the "Preservation of biodiversity, management of environments and resources". The marine dimension of biodiversity is included in the definition sheet coupled with the "Biodiversity" rating grid ("Variability among living organisms from all sources including, *inter alia*, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part"). The sheet and grid include examples of projects that have effects on marine biodiversity and make reference to the international objectives and frameworks for marine and coastal environments (SDG 14 and Global Biodiversity Framework 2022). However, they do not make reference to the specific aspects that may concern marine biodiversity and do not include any dedicated dimensions.

This biodiversity "filter" does not apply to most of the projects analyzed (29 of the 40 studied), meaning they are not subject to a detailed analysis of their potential positive or negative contribution to marine ecosystems. Indeed, the SDA rating was only introduced in 2014, does not apply to grants over EUR1.5 million or to loans over EUR5 million, and does not concern special windows or tools. Consequently, only 11 of the 40 projects analyzed include information on the SDA rating criterion (biodiversity). While it is therefore difficult to draw general conclusions, it was found that the eight projects with a rating equal to or higher than +1 are sanitation projects (50%), and projects for biodiversity and protected areas (40%), meaning that 90% are Type 3 projects (protection of marine and coastal ecosystems and reduction of pressures and pollution) according to the classification of AFD's Ocean strategy, with expected positive effects on marine ecosystems.

In addition, in the sample of projects analyzed (allocated between 2008 and 2021), the potential effects on biodiversity are not subject to specific provisions to measure them and thereby remain as intentions. However, the SDAO mechanism has recently been developed, following the updating of the grids in 2022: the prerequisites for giving a rating of +2 or +3 to certain projects have been clarified and these projects must, *inter alia*, define baseline scenarios, progress targets to be included in the logical framework, and implement measures to ensure the sustainability of the intended effects. In addition, since 1 July 2023, a sustainable development analysis must be included in the project completion report.

3.4.2 – AFD's environmental and social (E&S) risk management procedure (ESRM)

AFD's procedure for E&S risk management (ESRM) was developed in 2007 and an ESRM policy followed in 2017. The unit dedicated to E&S risk management was created in 2008 and became the Environmental and Social Support Division (AES) in 2012.

This ESRM procedure is applied at the various stages of AFD's project cycle (identification, appraisal, commitment, supervision and post-evaluation). **It aims to ensure that greater account is taken with respect to the E&S aspects of a project, by preventing the negative impacts (avoid, reduce or offset).** In contrast to the SDAO mechanism, the AES experts are part of the project team.

The AES Division examines each operation submitted and classifies the E&S risks as High (A) - Substantial (B) - Moderate (B+) - Low (C), depending on the extent of the potential risks of the operation. **During the implementation, only projects classified A and B+ are subject to close supervision.**

The AES Division is not organized by sectoral specialization. However, **specialists in marine issues** joined the division about two years ago and have contributed to strengthening its capacity on this issue. It has developed **sectoral sheets** to support the identification of E&S impacts in various sectors and identify the standard risk management measures, in particular for the environment. Some of these sheets include marine issues, such as the sheets on "port infrastructure", "desalination plants", and "tourism infrastructure", which date back to 2011/2012, and the "wind turbine" sheet (including at sea) of 2022. The sheets also refer to sectoral documents / tools which allow users to refine their analysis.

As with the SDAO mechanism, the AES rating does not concern all projects: it does not apply to the projects of either FFEM or the CSO Division (Civil Society Organizations), and only concerns projects for over EUR1 million. **During the implementation, only projects rated A, B and B+ are subject to an in-depth analysis** through Environmental Impact Assessments (EIA) and the preparation of an Environmental and Social Management Plan (ESMP).

The contracting authority, the direct or indirect beneficiary of AFD financing, has primary responsibility for implementation of the E&S risk management arrangements for their project. AFD sets out conditions in the financing agreement, which aim to ensure that the contracting authority takes the E&S impacts into account before and throughout the project cycle. The implementation of the EIA and ESMP is monitored, in particular as they are set out as conditions in financing agreements.

Finally, the monitoring of E&S measures is not directly included in the project and does not figure in the logical framework, or in its accountability framework, which does not facilitate the monitoring of activities.

Most of the elements of the biodiversity analysis (including, but without specifying, marine biodiversity) are **examined *ex ante* and are not subject to specific monitoring**, apart from the projects classified A, B or B+ by AES (which mainly concern infrastructure projects), and when there are specific provisions for the management of the associated environmental impacts (EIA, ESMP).

For major investment projects (ports, transport, fisheries), AFD currently has a mainly risk-based approach in order to avoid potential impacts on ecosystems to the largest extent possible.

However, AFD's contribution to issues related to the protection of marine biodiversity is also measured through accountability mechanisms (Nature+, see above), on the basis of analysis grids which increasingly attempt to take greater account of the specific aspects of marine biodiversity. **As with the SDAO, through this type of mechanism, AFD thus also has a "positive" approach in its operations for marine biodiversity protection and not simply a risk-based approach, as can be seen with certain other donors.**

Focus on Tunisia

The potential effects on biodiversity at the source of the SDAO ratings are not subject to specific provisions to measure them in either of the two projects concerned by the SDAO ratings (MEDFISHTUN and DEPOLMED) and therefore remain intentions.

The ESRM mechanism only applies to three of the five projects analyzed (MEDFISHTUN, DEPOLMED and19 WWTP). The analysis of the two sanitation projects monitored by the AES team shows how the ESRM mechanism has developed since the allocation of 19 WWTP in 2008 and DEPOLMED in 2015 to take closer account of the risks, especially on receiving environments.

In addition, despite the various E&S ratings, the two programs have conducted environmental feasibility studies and EIA for each wastewater treatment plant, which has resulted in the preparation of an ESMP for each site. The ESMP include monitoring plans and more detailed indicators than the project logical frameworks with respect to the impacts on receiving and marine ecosystems. However, the monitoring of the ESMP focuses exclusively on the impact mitigation plan for the works phase financed by AFD.

3.4.3 – Logical frameworks

The logical frameworks of the projects analyzed set out few outcome and impact indicators and therefore cannot measure their impacts on marine and coastal ecosystems. This is also the case for projects with objectives directly related to the Ocean, and these objectives mainly concern output. Furthermore, most of the indicators in the logical frameworks do not have a time frame and do not set separate short- or medium-term timelines aligned with the needs for implementation monitoring, compared to the more long-term timelines concerning project effects/impacts. The fact that there is no time difference is sometimes reflected in the different expectations of AFD and the contracting authorities, the former focusing on the project time and the latter on the long-term action.

At the time of the study, besides the aggregatable indicators by thematic area, AFD did not have a specific instrument or monitoring framework for marine ecosystems.

Focus on Tunisia

Among the five projects evaluated, some include monitoring and evaluation initiatives outside their logical frameworks which may provide relevant information on their effects on marine environments. Among the 19 WWTP and DEPOLMED projects, the ESMP, based on feasibility studies and EIA, provide detailed impact indicators on receiving ecosystems. The DEPOLMED monitoring-evaluation mechanism also comprises three studies on the "characterization of the pollutant load on the coast".

The COGITO and AMCP-Fisheries projects have applied the "Compass Rose" tool for the monitoring and evaluation of Protected Areas (PA). This tool, developed by Oréade Brèche, is used by many of the PA supported by FFEM and provides a simple representation of the pathway of the PA, from its origin to its effective management, as the developments take place.

3.5 Insufficient data to observe effects on marine environments

Few *ex post* evaluations measure and analyze the impacts of AFD and FFEM projects on marine ecosystems. Indeed, even evaluations of multi-country projects with expected positive impacts on ecosystems are often limited to the implementation of the activities, the use of the funds, and the project governance. They do not present results in terms of effects. However, the fact that no results are presented does not necessarily mean that there are no effects, as the data may not have been collected (yet) or may not be directly and systematically available. Among the 40 projects in the portfolio analyzed, 50% had been subject to an ex post analysis,[4] but only 10% of these ex post analyses made reference to connections between the project and marine and coastal ecosystems. Similarly, only 15% of the project progress reports analyzed made reference to marine and coastal ecosystems. However, all the *ex ante* analyses available made reference to them.

Consequently, the authors were unable to provide an analysis of the impact of AFD's portfolio on marine and coastal ecosystems, and the analysis focused on the expected effects on these ecosystems (see Figure 3). As mentioned above, the analysis highlights the marked difference between country and multi-country operations, the latter being associated with a larger number of expected positive effects for a number of EOs. The most common are biodiversity (EO 1) and coastal ecosystems and landscapes (EO 8), without monitoring and measurement frameworks necessarily being required to quantify these effects once the project is implemented. The expected positive effects of country operations are most often associated with a reduction of pollution (EO 9) and marine litter (EO 10), and concern infrastructure projects for sanitation and ports/transport.

[4] Certain projects were still under implementation at the time of the analysis.

Figure 3 – Percentage of projects with expected positive (+1), neutral (0), or negative effects on the EOs

EO 1: Biodiversity
EO 2: Non-indigenous species
EO 3: Harvest of commercially exploited fish and shellfish
EO 4: Marine food webs
EO 5: Eutrophication
EO 6: Sea-floor integrity
EO 7: Hydrography
EO 8: Coastal ecosystems and landscapes
EO 9: Pollution
EO 10: Marine litter
EO 11: Energy including underwater noise
EO 12: Atmospheric gases

Focus on Tunisia

None of the five projects evaluated are able to present results on the positive or negative effects they may have had in terms of the EOs in question. There are several reasons for this lack of results, some of which are combined.

- Firstly, **the fact that there are no results does not mean that there are no effects**, as the data are not systematically available or have not (yet) been collected. The lack of available data may be due to delays in the project implementation, in particular because of the Covid-19 crisis, as well as the slow pace of certain procurement processes, or the activities may simply not have been implemented as planned. Finally, the time frame of the projects may limit the measurement of the impact because the projects are completed before any real impacts can be seen. This is due to the nature of projects which only concern the works phase prior to the operating phase and/or the inertia of environments (19 WWTP, DEPOLMED, COGITO) which limits the observable effects in the short term.

- **The fact that there are no clear objectives and appropriate indicators in the logical frameworks of the projects** (see above) also contributes to the difficulty of presenting results in terms of their effects. Indeed, the logical frameworks of contributory projects whose objective is not directly related to marine ecosystems generally do not include indicators associated with these environments. The effects are therefore not measured or presented. In addition, when indicators exist, they are not systematically collected for the reasons mentioned above.

While these projects may have had leverage effects on the consideration of biodiversity in public policies, they remain quite limited by Tunisia's economic and social priorities. Some of the projects analyzed have contributed to improving the integration of marine issues in public policies through the support for legislative processes (AMCP-Fisheries, MEDFISHTUN) and institutional reforms (DEPOLMED). AFD's operations have helped initiate a dialogue between the various stakeholders in the fisheries sector (MEDFISHTUN), and establish collaborations at the institutional (DEPOLMED) and operational (COGITO) levels. The COGITO project has led to the dissemination of the co-management concept and methodologies of MPA in the region, and helped build networks among stakeholders in marine conservation in the Mediterranean. In the sanitation sector, a priority sector for Tunisia, AFD's many projects have resulted in its consideration as a key partner. However, Tunisia's strategy for sanitation is clear and defined and leaves little room for influence, especially because these projects are mainly financed with loans.

4. Recommendations

Following the cross-cutting analysis, strategic and operational recommendations were developed jointly during the collective intelligence workshop organized with the AFD teams in April 2023. The analyses from the targeted evaluations were subsequently added to these recommendations. They are based on five main themes:

- Continue to pursue AFD's strategic positioning objectives on the Ocean
- Strengthen the strategic partnerships to take better account of the cumulative effects
- Develop AFD's financing capacities on the issue
- Strengthen and decompartmentalize the operational framework
- Improve the monitoring-evaluation mechanisms to take better account of and measure the effects and impacts of Ocean projects.

4.1 Continue to pursue AFD's objectives for its strategic positioning on the Ocean

- **Strengthen the strategic and operational integration of "Ocean" issues at AFD by defining clearer strategic objectives**, internally and by targeting certain key officers on specific issues as well as externally, in order to position AFD among potential counterparts and other donors as an actor working on these issues. While the deployment of the Ocean Roadmap, which has already been initiated, will serve to guide this work, these objectives also need to be defined at a more strategic level at AFD. Indeed, as with AFD's 2018-2022 Strategy, which included a 100% Paris Agreement objective, **AFD could include "Ocean Positive" objectives as a strategic priority** in the 2023-2027 Strategy, **with a view to align its operations with the new Kunming-Montreal Global Biodiversity Framework.**

The objectives could be set out by sectors that have expected "direct" or "contributory" impacts on the Ocean. This could create a knock-on effect on the various teams and contribute to encouraging their appropriation, as with the climate targets.

An intermediate objective could involve defining **new "Ocean Positive" indicators** which could be directly linked to the targets of the Global Framework.

Like other donors working on the issue, AFD could also develop a blue economy strategy, set out on the basis of the Type 2 projects currently identified in its Ocean Strategy Framework.

- In the context of AFD's Ocean Roadmap, define the action plan and coordinate an "Ocean task force". While the members of the task force are clearly identified within AFD Group and FFEM, their objectives and work plans have not yet been clearly determined. As an internal focal point on Ocean issues, the platform could: guide strategic discussions on how to take greater account of marine ecosystems in AFD's operations ; work to improve AFD's internal tools in order to contribute to this objective, distribute the participation of the members and AFD's representation (rotating or fixed) in the various ongoing projects or within the multi-stakeholder discussion platforms on Ocean issues (in particular in the context of FiCS/Finance in Common), and monitor implementation of the Ocean Roadmap.
- **Develop a real AFD Group approach.** Closer coordination with EF and Proparco could make it possible to capitalize on the institutional memory of the different entities, pool efforts to develop working relations with counterparts and other stakeholders, and possibly combine certain approaches to support key sectors. Beyond AFD Group, greater coordination between AFD and FFEM would also be beneficial.
- **Harmonize and bring together the existing biodiversity tools.** AFD has deployed a set of tools allowing it to integrate and measure its consideration of biodiversity at the time of project appraisal. The current plethora of tools makes them more difficult to understand and appropriate. Combining them into a single "biodiversity toolkit" would clarify their respective complementarities and fields of use.

4.2 Strengthen strategic partnerships to take better account of cumulative effects

- **Improve coordination and synergies between donors on Ocean projects.** In addition to efforts to harmonize procedures, coordination between donors could be further improved and should help create more synergies on an issue of common importance
- **Strengthen partnerships with local universities and research institutes** for project monitoring and research into innovations. This type of partnership could contribute to creating communities of practice at the national level, in particular to firmly anchor the knowledge produced at the local level and improve its dissemination
- **In the Mediterranean, continue and strengthen the regional/international networks:** the multitude of networks in the region feed into active reflection on practices and tools. The support for these networks and their involvement in regional projects provide real added value in terms of sharing best practices, and formalizing collective advocacy with potentially greater impact than the advocacy conducted by organizations.

4.3 Develop AFD's financing capacities for marine biodiversity

- **Mobilize AFD grants** in addition to loans in order to fulfil AFD's commitment on these issues. This "Ocean" financing could further integrate marine biodiversity issues and provide for measurement mechanisms. AFD could also directly finance investments in marine ecosystems and activities that would increase the impacts of operations on these environments.
- **Strengthen the partnership with the EU to finance innovative activities for biodiversity with grants.** The flexibility offered by grants allows for more opportunities for advocacy for a greater integration of marine biodiversity issues in projects initially focused on other sectors. For example, the aim of the EU's Neighbourhood Investment Facility (NIF) is to use grants to support projects with a positive environmental and/or social impact.
- **Mobilize AFD for the development of projects with the Global Environment Facility (GEF) and Green Climate Fund (GCF), or for funds delegated by the EU.** This would mobilize substantial volumes of grant financing to scale up pilot operations.

4.4 Strengthen and decompartmentalize the operational framework

- **Prioritize the geographical areas of operation of projects, taking issues related to marine biodiversity into account.** This prioritization should take account of the sensitivity and vulnerability of receiving environments. It is also essential to continuously analyze the potential impacts of the activities conducted to avoid a potential "one size fits all" approach.
- **Decompartmentalize the operational framework and develop an integrated approach.** AFD's current Ocean Strategy Framework recommends an integrated approach to take better account of issues related to the preservation of marine ecosystems. However, this approach is impeded by a sectoral approach leaving little room for synergies. The synergies between loans and grants should enable a move towards more integrated approaches through i) the implementation of components with the preservation of (marine) ecosystems as their main objective, which can only be achieved through grants; ii) the promotion of "Ocean" projects with grant-loan blending, with grants enabling softer lending conditions. The development of projects and evaluations integrating different sectors should be encouraged to take better account of these cross-cutting issues.
- **Make greater use of the leeway offered by projects financed with grants.** As the issue of biodiversity becomes increasingly important in AFD's agenda, consider exploring potential avenues with counterparts. For example, this may include taking greater account of conservation issues in fisheries development plans, exploring interactions between MPA and fisheries activities, etc.
- **Strengthen the technical assistance mechanisms arranged to support projects, in particular for monitoring and evaluation.** The technical assistance provided should include a realistic budget, large enough to cover the costs of this follow-up. Continuing to provide this support after the completion of activities, in particular for sanitation projects which end shortly after the completion of works, should also be considered.

4.5 Improve the monitoring-evaluation mechanisms to take better account of, and measure the effects and impacts of, Ocean projects

- **Integrate more relevant indicators in the logical frameworks**, reflecting the program's objectives, remaining realistic, and including a pressure-based approach. *Ex ante* studies, in particular those concerning E&S risks, offer valuable sources for possible indicators that could be included in project logical frameworks.
- **Further develop the logical frameworks with outcome indicators, based on existing indicator frameworks.** For example, the MSFD/IMAP framework is interesting because it determines the pressures experienced in the program's area of operation. Where relevant and possible, it is recommended to **link project logical frameworks to national monitoring frameworks**, to be aligned as closely as possible with national policies and benefit from information that is already available.
- **Further develop AFD's aggregable indicator framework by considering the entire approach of the operation, from the activities to the impacts**, to complete AFD's strategic vision in terms of the effects of its operations on marine environments. The adaptation of AFD's aggregable indicator framework could be based on existing studies and indicator frameworks, the principle not being to develop an exhaustive framework, but to take a few key indicators.
- **Implement a monitoring and evaluation plan from the outset.** This involves collecting data on the initial or baseline situation. This approach will contribute to evaluating the program's impacts and needs to be included in the logical framework.
- **Define time frames, evaluate at the right moment.** The time frame of projects can limit impact measurement, when projects are completed before the impacts are visible, due to the nature of the project and/or the inertia of environments. The evaluation needs to be conducted at the right moment if it aims to quantify the effects on marine ecosystems.
- **Clarify the roles for the evaluation.** However, the sources of financing for such studies must be clearly defined, as well as the roles of the institutions (donors and national counterparts) in them. This is especially important in the case of multi-donor or multi-stakeholder projects.
- **Conduct outcome evaluations directly related to the project rather than seeking to measure the impacts.** This approach is aligned with the pressure-based approach of the IMAP framework: instead of seeking to measure the improvement in biodiversity (impact) resulting from a project, the indicators focus on the reduction of pressures (outcome).
- **Conduct rigorous impact evaluations targeting flagship projects.** As it is complex and costly to attribute effects/impacts to a single program, this approach could only cover a few operations identified and selected for their relevance or strategic importance.

List of acronyms

AFD	Agence Française de Développement
ADB	Asian Development Bank
BMP	Blue Mediterranean Partnership
CBD	Convention on Biological Diversity
CSO	Civil Society Organization
DPSIR	Driver-Pressure-State-Impact-Response
E&S	Environmental & Social
EBRD	European Bank for Reconstruction and Development
EF	Expertise France
EO	Ecological objective
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESO	Environmental and Social Opinion
ESRM	Environmental and Social Risk Management
EU	European Union
EUR	Euro
FFEM	French Facility for Global Environment
GCF	Green Climate Fund
GEF	Global Environment Facility
IFIs	International Financial Institutions
IMEP	Integrated Monitoring and Evaluation Plan
MCB	Mediterranean Consortium for Biodiversity
MedPAN	Network of MPA managers in the Mediterranean
MPA	Marine Protected Area
MSFD	Marine Strategy Framework Directive
MSMEs	Micro, Small and Medium-sized Enterprises
NIF	Neighbourhood Investment Facility
OECD	Organisation for Economic Co-operation and Development
PA	Protected Area
PPI-OSCAN	Small-scale Initiatives Program for Civil Society Organizations in North Africa
SBE	Sustainable Blue Economy
SDAO	Sustainable Development Analysis and Opinion
SDGs	Sustainable Development Goals
SEIS	Shared Environmental Information Systems
UNEP	United Nations Environment Programme
WAS	Water and Sanitation
WWTP	Wastewater treatment plant

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